

From Fiscal Capacity to Local BEP Match Requirement ***They're Not the Same Thing!***

What you need to know to figure out your county's local matching requirement:

1. Your county's percent of total fiscal capacity (fiscal capacity index or FCI)
2. The total (state and local combined) cost of the BEP formula—**statewide!**
3. The statutory local match rate (e.g., 35% for instructional positions, 25% for other classroom components and 50% for non-classroom components)

Multiply these three things together, and the result is your local matching requirement—the total dollar amount the school system (or systems) in your county must contribute in order to get all of the state dollars to which you're entitled under the BEP formula. For example,

\$ 2,651,415,000	Total BEP for Instructional Positions
	<i>(Based on Dept. of Education April 2004 estimate for FY2004-05.)</i>
x 35%	Statutory Local Match Rate
x 0.5213%	Volunteer County Fiscal Capacity
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\$ 4,838,000	Volunteer County Local Match

That is what your county has to pay, and the state makes up the difference: the total cost of the BEP calculated for your students minus your local matching requirement.

From Fiscal Capacity to Local BEP Match Requirement ***What Effect Do Changes In the BEP Formula*** ***Have on My Local Match Rate?*** ---

Compare the current year to next year*:

		FY 2003-04		FY 2004-05
Total BEP Instructional Cost		\$2,182,962,000		\$2,651,415,000
Statutory Match Rate	x	25%	x	35%
Aggregate Local Share	=	\$545,740,500	=	\$927,995,250
Vol. Co. Fiscal Capacity	x	0.5247%	x	0.5213%
Vol. Co. Local Share	=	\$2,863,500	=	\$4,837,639

Subtract that from Vol. Co.'s BEP Instructional cost:

		FY 2003-04		FY 2004-05
Vol. Co. BEP Instructional Cost		\$11,685,000		\$14,466,000
Vol. Co. Local Share	-	2,864,000	-	4,838,000
Vol. Co. State Share		\$8,821,000		\$9,628,000
Vol. Co. Match Rate		24.51%		33.44%

* Based on Dept. of Education April 2004 estimate for FY2004-05.